

# THE CURRENT DISASTER RELIEF LANDSCAPE

## A CAF guide to disaster and humanitarian relief

CAF's on-going work in disaster relief includes:

- carrying out new research;
- disbursing funds to disaster affected areas; and
- developing on-the-ground disaster relief programmes.

Our work demonstrates there is an ever more pressing need for support in this area. There are more natural disasters than ever before – over 750 natural catastrophes were reported in 2016 alone, amounting to \$175bn.<sup>1</sup>

\$28bn was committed to international humanitarian assistance in 2015, which Global Humanitarian Assistance (GHA) reports is the highest recorded level, with 2016 close on its heels at \$26.3bn.<sup>2</sup>

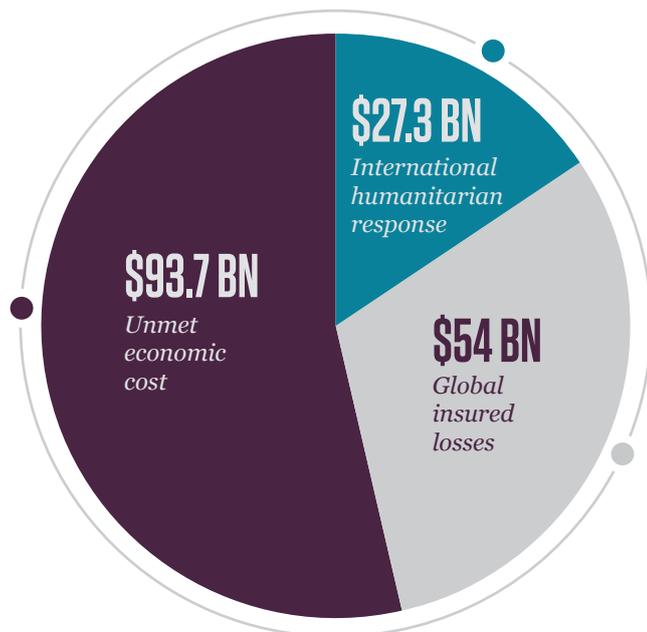
Although the international community has consistently responded to disasters with important contributions, the financial cost of disasters, let alone the human cost, is immense. In 2016 natural disasters caused \$54bn of insured losses globally. \$175bn in total economic loss was incurred in 2016 alone due to natural catastrophes.<sup>3</sup>

The diagram below reveals how damaging natural disasters are for the global economy:

- there is an economic cost deficit of c.\$93.7bn (as calculated by CAF in the chart below) that is not recovered; and
- insurers pay out considerably more than disaster appeals raise.

## Illustration of unrecovered global losses in 2016

**Total: \$175bn global economic losses**



The data used for the graph is collated from two key sources - Swiss Re and GHA - and is intended to accurately illustrate the unmet economic cost of natural disasters.

## The growing case for prevention

As demonstrated above, support for disaster response is an unequivocal need. There is an increasing requirement for companies to think more seriously about disaster prevention, which brings together several interconnected benefits:

- by investing in infrastructure and disaster preparedness methods in disaster prone areas, those at risk are better equipped to deal with disasters as they occur;
- investment in more robust infrastructure and prevention methods will ultimately mean that insurers pay out less;
- this in turn will reduce global economic losses, with obvious benefits to international economic markets.

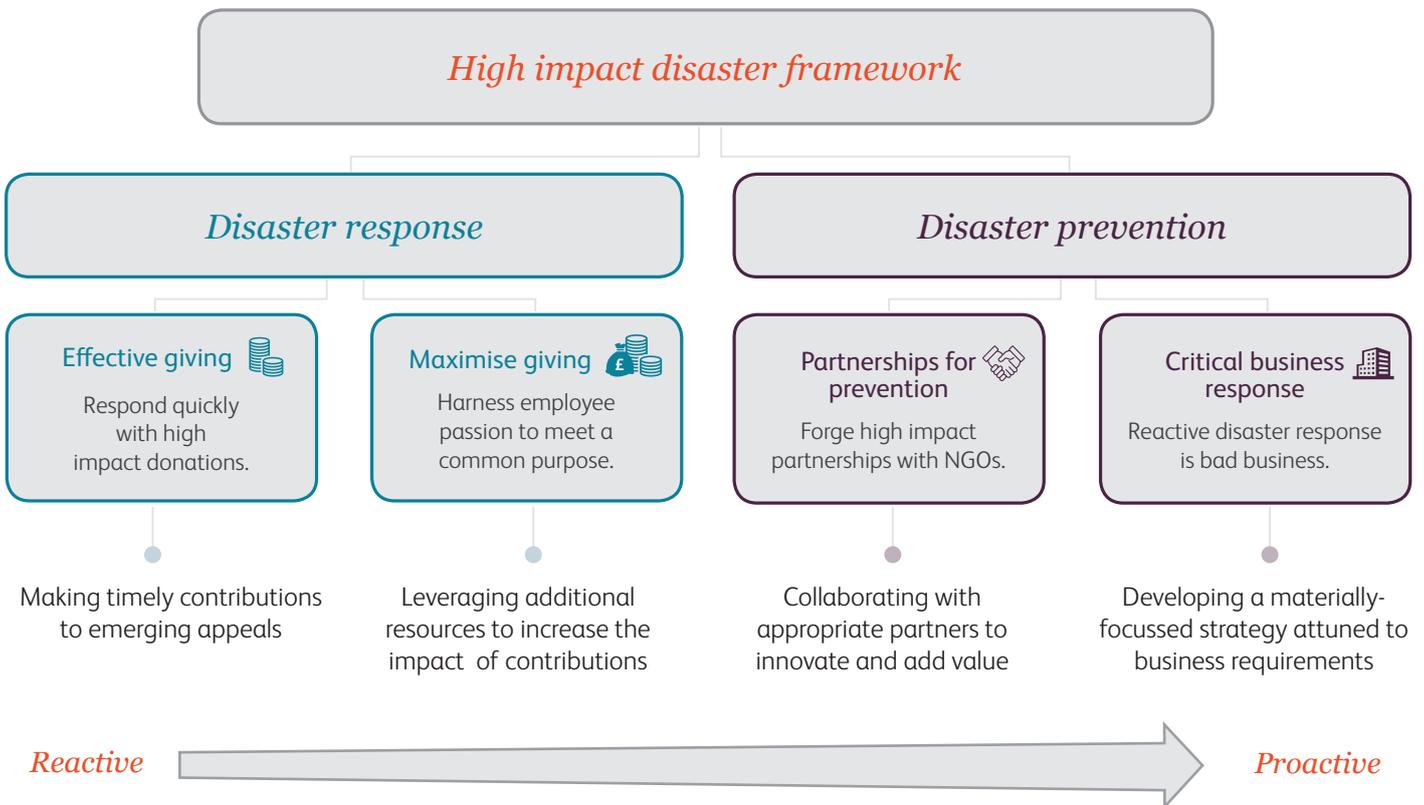
Research into disaster prevention shows that the economic return of investing in risk reduction methods is frequently more than four times greater than the cost.<sup>4</sup> A 2005 report launched by DFID cites the example of flood control in China, where it is estimated that the \$3.15bn spent on flood control over four decades averted losses of about \$12bn.<sup>5</sup>

Another DFID-commissioned report concludes that early response and resilience building measures should be the overwhelming priority response to disasters.<sup>6</sup>

Prevention is becoming an imperative. It is a sad truth that future disasters will increase in both frequency and intensity.<sup>7</sup> In recognition that business's approach to disaster response needs to evolve, CAF has developed a high impact disaster framework.

## CAF's High Impact Disaster framework

An effective disaster approach should be both reactive, meeting immediate needs and addressing the short-term impacts of disasters, and proactive, examining long-term, preventative solutions to reducing the associated financial and human costs. A high level illustration of this framework is included below.



### How CAF can help you achieve more impact

We work with more than 2,500 businesses, supporting over 250,000 individual donors and 73,000 charities in 100 countries. Our aim in the corporate space is to maximise the potential of business to create a better society by driving best practice and catalysing a step change.

Beyond our financial giving vehicles, our in-depth knowledge of both the corporate and charity sectors and our Global Alliance, which leverages local expertise in nine international offices across six continents, enables us to work with our clients to develop complete, strategic solutions to achieve significant social impact.

### To find out how we can support you please contact:

E: [corporate@cafonline.org](mailto:corporate@cafonline.org)

T: 03000 123 282

1 Munich Re, Natural disasters, the year in figures.

2 Global Humanitarian Assistance, GHA Report 2017

3 Swiss Re, 'Global insured losses from disaster events were USD 54 billion in 2016, up 42% from 2015'

4 UNISDR, 'The costs and benefits of disaster risk reduction'

5 DFID, 'Natural Disaster and Disaster Risk Reduction Measures'

6 DFID, 'The Economics of Early Response and Disaster Relief'

7 GFDRR, 'The making of a riskier future: How our decisions are shaping future disaster risk'